

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>WISCONSIN ELECTRIC POWER COMPANY</b>	)	
for approval of special contracts with Tilden Mining	)	Case No. U-17862
Company L.C. and Empire Iron Mining Partnership.	)	
_____	)	

At the December 9, 2016 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner  
Hon. Rachael A. Eubanks, Commissioner

**ORDER APPROVING AN AMENDMENT TO A SPECIAL CONTRACT AND  
TERMINATION OF A SPECIAL CONTRACT**

On April 23, 2015, the order approving (1) the 2015-2019 Large Curtailable Special Contract between Wisconsin Electric Power Company (WEPCo) and Tilden Mining Company L.C. (Tilden Mine) (the Tilden Special Contract), and (2) the 2015-2019 Large Curtailable Special Contract between WEPCo and Empire Iron Mining Partnership (Empire Mine) (the Empire Special Contract) was issued in this case. On September 1, 2016, WEPCo filed a second application in this case, pursuant to Michigan Administrative Code, R 460.2031(1), requesting *ex parte* approval of the Deferred Payment Amendment (Amendment) to the Tilden Special Contract. The application also included a notification that WEPCo and Empire Mine agreed to terminate the Empire Special Contract.

As set forth in the application, the Amendment provides for the deferral of the payment of certain energy charges that would otherwise be immediately due and payable by Tilden Mine. The application states that the Amendment is reasonable and in the public interest, and will not result in an increase in rates or cost of service for WEPCo's other customers, including its Michigan jurisdictional customers. WEPCo states that the Amendment will not impede the development of competition in the company's service territory, and that during negotiations leading to the Amendment, the parties protected their own interests.

The parties also agreed to terminate the Empire Special Contract no later than October 15, 2016, and that Commission approval of the termination was not required by the Empire Special Contract. The application notes that to avoid Empire Mine incurring additional costs during the ramp-down period, WEPCo agreed as part of the termination to waive the power factor demand charge that would otherwise apply when the power factor is not met. WEPCo states that if Commission approval of the termination of the Empire Special Contract is deemed necessary, approval will not result in an increase in rates or cost of service for the company's other customers, including Michigan jurisdictional customers, and the waiver of the power factor demand charge agreed to by WEPCo and Empire Mine will not be subsidized by rates charged to other customers.

Finally, WEPCo states that because approval of the Amendment and the termination of the Empire Special Contract will not increase the cost of service to, or change the existing rates of the company's other customers, the Commission may approve the Amendment and termination of the Empire Special Contract on an *ex parte* basis without notice and hearing as provided by MCL 460.6a.

After reviewing the application, the Amendment, and the agreement to terminate the Empire Special Contract, the Commission finds that the Amendment and termination are reasonable and in the public interest. The Commission further finds that pursuant to MCL 460.6a, *ex parte* approval of the Amendment and termination is appropriate.

THEREFORE, IT IS ORDERED that:

- A. The application is approved.
- B. The Deferred Payment Amendment to the 2015-2019 Large Curtailable Special Contract between Wisconsin Electric Power Company and Tilden Mining Company L.C. is approved.
- C. The termination of the 2015-2019 Large Curtailable Special Contract between Wisconsin Electric Power Company and Empire Iron Mining Partnership is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General – Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of December 9, 2016.

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Kavita Kale, Executive Secretary